



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

DATE: 08/12/99
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CHANDLER COMPANY AND ITS PRESIDENT ORDERED TO IMMEDIATELY STOP SELLING UNLICENSED SECURITIES

The Arizona Corporation Commission yesterday ordered Premiere Financial Group, Inc., a Chandler, Arizona based company, and its President, John H. Lawson to immediately stop selling unlicensed securities. According to the Order signed yesterday by Mark Sendrow, Director of the Corporation Commission Securities Division, Premiere and Lawson violated a representation they had made to the Securities Division to stop all sales of securities while their actions were under investigation. That investigation has already led to the filing of an administrative notice on July 29, 1999 against Premiere and Lawson, among others, for violating the Arizona Securities Act, including committing securities fraud, by selling at least \$2,619,034.13 of promissory notes to 45 investors, almost all of them elderly.

In the Order signed yesterday, the Division states that Premiere and Lawson had violated their agreement to stop the sale of securities by soliciting and obtaining \$41,000 from an 84 year-old Arizona woman with Alzheimer's disease in July 1999. The \$41,000 was deposited to a bank account controlled by Lawson. The Order also states that Premiere and Lawson had failed to identify the investor to the Securities Division and that the Division had only learned of her identity, and that of five other investors who had invested at least \$718,000 with Premiere, through alternative means.

The Securities Division had recently issued a News Release on July 19, 1999, warning the public about

promissory notes, often sold by insurance agents and others, that promise high interest rates but are in fact very risky and often fraudulent. In that News Release, the Securities Division noted that unlike traditional boiler-room cold callers, who solicit clients by telephone and usually have no prior relationship with them, insurance agents know their customers, many of whom are elderly. Mr. Lawson is a licensed insurance agent, and, according to the Notice filed by the Division, often first sold investors living trusts and insurance products, prior to selling them promissory notes.

The Arizona Corporation Commission encourages anyone who has invested with the Respondents to contact Michael Smedinghoff, Senior Investigator at the Securities Division at (602) 542-4242. The Securities Division urges the public to inquire into the registration status of both securities and securities salesmen before investing. The Division may be contacted at (602) 542-4242, by facsimile at (602) 594-7470, or by e-mail at accsec@ccsd.cc.state.az.us.